

Minutes of Meeting
Health Services Council
Project Review Committee-I

DATE: 24 October 2006 TIME: 2:30 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee I: Present: Victoria Almeida, Esq. (Vice Chair) Edward Almon, John W. Flynn, Robert S. L. Kinder, M.D., Amy Lapierre, Robert J. Quigley, DC, (Chair),

Not Present: Joseph Centofanti, M.D., John Keimig, Robert Whiteside

Excused Absence: Robert Ricci

Other Members: Present: Larry Ross, Reverend David Shire

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 2:35 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by six in favor and none opposed (6-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Almon, Flynn, Kinder, Lapierre, Quigley.

2. General Order of Business

The first item on the agenda was the application of Westerly Hospital for a Certificate of Need to establish a 12-bed inpatient geriatric psychiatry program. Staff reviewed the information that was mailed and handed out.

Staff read into the record staff's memo of 24 October 2006. Staff noted that geriatric psychiatric admissions represent 15% of all psychiatric admissions. In 2005, there were 53 geriatric psychiatric admissions in Rhode Island from Westerly Hospital's service area, representing 3.4% of statewide admissions. There were 705

non-geriatric psychiatric admissions from Westerly Hospital's service area. Staff noted that the applicant projected needing 304 geriatric psychiatric admissions.

Mr. Kinney, President of Westerly Hospital, stated that there is unmet need. He noted that Dr. Recupero's letter didn't question the need but questioned the clinical ability. He stated that's why the applicant wants to contract with Horizon. He noted that they would work with Horizon on staff education. He stated that the proposed unit would be secluded. He noted that recruitment would be from Connecticut. Proposed physician coverage would meet state and CMS requirements. The applicant would recruit a geriatric psychiatrist.

A representative from Horizon stated that there will be programmatic components that are not available at other facilities in Rhode Island to be the best program. He reaffirmed that there will be a board certified geriatric psychiatrist. He stated that there will be a state-of-the-art psychiatric outcome measurement system. There will be social work services seven days a week. There will be two clinical tracks for patients. He stated that the bed need for general psychiatric adult services is met and, based on the demographics, there is unmet for geriatric psychiatric services. He stated that even operating at 18 admissions per month the program will generate a \$500,000 contribution margin to the hospital. He noted that bed need formulas are not an exact science. He noted that there are 4,000 nursing home beds in a 30-mile radius of the hospital.

The Medical Director of Morton Hospital's geriatric psychiatric program in Taunton stated that there are 30-33 patients discharged per month with an average length of stay of 10-11 days. He described the program there. The unit was close to full within the first month of operation and that 70-80% of patients come from nursing homes. He noted that there are different needs between adult and geriatric psychiatric patients. He stated that there are also psychiatric consultations provided to the hospital and nearby clinics.

The applicant stated that assessments will be conducted at the hospital of all patients and any patient will be admitted to the proposed geriatric psychiatric unit until such time that they are stabilized and then would be transferred to a more appropriate facility for that age group.

Ms. Lapierre questioned the applicant with regards to use of restraints. The applicant stated that restraints will be used when necessary. The applicant stated that if properly trained, the restraining can be circumvented.

Ms. Lapierre inquired what agreements with health centers the applicant will have for providing continuous psychiatric care. The applicant stated that they would utilize every agency in the community for aftercare. The applicant is committed to an outpatient program. Ms. Lapierre requested a formalized agreement for

aftercare.

Staff noted a letter from Dr. Nelson, Director of the Department of Mental Health, Retardation and Hospitals, that was just submitted. Staff read the letter into the record. The letter included: "In summary, I cannot support Westerly Hospital's proposal as currently presented. Future support would be contingent on the unit serving a broader population in complexity, insurance status, and age; applying for MHRH psychiatric facility status; and providing for appropriate psychiatric services post-discharge."

Mr. Flynn asked the applicant to confirm that the proposal is for a geriatric psychiatric unit instead of a general adult psychiatric unit because of the financial situation of Westerly Hospital. Mr. Kinney answered yes.

The Chairman stated his concern that the applicant was not addressing the community need by proposing only a geriatric psychiatric unit. He noted that this is not the only need in Westerly Hospital's service area.

Mr. Kinney stated that the hospital cannot meet everyone's need and has to select what's appropriate to do. He stated that the hospital will apply to MHRH for involuntary admissions. He stated that if it's going to be required that the proposed unit not be geriatric then it's a non-starter for the hospital.

The applicant noted that there are currently no psychiatric services being provided at Westerly Hospital.

The Chairman stated that the Committee is concerned with what is best for the system not the hospital.

Mr. Ross stated that the Committee does not have the ability to review Horizon's proprietary data and can only rely on the data available for review. He stated that there is some indication of need but it's a matter of the magnitude. The applicant stated that projection of 25 admissions per month is not a lot.

Mr. Almon noted need, affordability, access and quality as consideration requirements. He stated that so far he can see the need for the patients. The present facilities are 84% occupied. Comparing the cost and the length of stay versus reimbursement, its obvious that it's a cherry pick. The proposal adds \$1.7 million in capital costs and doesn't increase the number of patients served, just shifts them. The accessibility is improved for Westerly people but just for a couple of dozen. He asked where are the skilled providers going to come from. He noted that when you fragment an industry you lower the quality. Based on the parameters, this tends to fall short.

Dr. Rasmussen, representative of Butler Hospital, noted the concern of Dr. Recupero has to do with the fact that the types of patient that

are most in need of treatment, which have diagnostic complexities, require a certain level of staffing. He noted the concern that the patients that are going to be treated, if the applicant has any hope of making margin, are maybe the ones that don't need to be treated and they are certainly not the ones coming to Butler Hospital. He noted the patients that come in need to be committed and a provider needs a facility status in order to service that patient. He noted the Council's question about continuity of care. He stated that it's essential how you interact with nursing homes. He stated that Butler has seen a significant drop in the need for the type of patients who were being admitted to Butler years ago. If you build up the nursing home capacity then you are only getting the patients into the hospital who really need to be there. The question is what is the best for the state and best for the system. He stated that these issues need to be considered. He noted the issues of whether the unit is going to serve the people who really need to be served and is the quality the best that's going to be available.

Mr. Flynn noted that most hospitals have a positive contribution margin from such programs.

The applicant agreed to go over the 120 day time period for review of the application.

There being no further business the meeting was adjourned at 4:00 PM.

Respectfully submitted,

Valentina D. Adamova